

Washington, DC – Congressman John Barrow (GA-12) announced today that Savannah and Augusta will receive a combined \$2.18 Million in funding to reverse the effects of the foreclosure crisis. The City of Savannah will receive \$1,027,553 and Augusta-Richmond County will receive \$1,161,297. The grants announced today will provide targeted emergency assistance to state and local governments to acquire, redevelop, or demolish foreclosed properties.

"These grants will support local efforts to reverse the effects these foreclosed properties have on their surrounding neighborhoods," said U.S. Housing and Urban Development Secretary Shaun Donovan. "We want to make certain that we target these funds to those places with especially high foreclosure activity so we can help turn the tide in our battle against abandonment and blight."

"The foreclosure crisis hit our communities especially hard," said Barrow. "This money will go a long way to make sure that the neighborhoods that have seen the most foreclosed homes recover sooner rather than later."

The funding announced today is provided under the Dodd-Frank Wall Street Reform and Consumer Protection Act. To date, there have been two other rounds of neighborhood stabilization program (NSP) funding: the Housing and Economic Recovery Act of 2008 (HERA) provided \$3.92 billion, and the American Recovery and Reinvestment Act of 2009 (Recovery Act) provided an additional \$2 billion, both of which were supported by Congressman Barrow.

Like those earlier rounds of NSP grants, these targeted funds will be used to purchase foreclosed homes at a discount and to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values. Today, 95 cents of every dollar from the first round of NSP funding is obligated – and is currently being used by communities, buying up and renovating homes, and creating jobs.

State and local governments can use their neighborhood stabilization grants to acquire land and property; to demolish or rehabilitate abandoned properties; or to offer down payment and closing cost assistance to low- to moderate-income homebuyers (household incomes less than 120 percent of area median income). In addition, these grantees can create "land banks" to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property. HUD will issue an "NSP3" guidance notice in the next few weeks to assist grantees in designing their programs and applying for funds.

The neighborhood stabilization program also seeks to prevent future foreclosures by requiring housing counseling for families receiving homebuyer assistance. HUD will require states and local grantees to ensure that new homebuyers under NSP receive homeownership counseling and obtain a mortgage loan from a lender who agrees to comply with sound lending practices.

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